

complaint

Mrs D complains that St Andrew's Insurance Plc ("St Andrews") mis-sold her a monthly premium payment protection insurance policy ("PPI") in 2007.

Mrs D is represented by a third party.

Background

Our adjudicator didn't uphold this complaint. Mrs D disagreed with this view and asked for an ombudsman to review the case and issue a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

We've set out our general approach to complaints about the sale of PPI on our website and I've taken this into account in deciding Mrs D's complaint.

Mrs D says that she wasn't told that the policy was optional and that it was essential to take out the policy if she wanted the mortgage. However, I can see that the PPI was taken out some time after the mortgage. I have looked at the application and I can see that Mrs D has completed the application form and separately completed and signed and dated the direct debit. And I think it's likely that she has returned the form to apply for the PPI, knowing she had a choice whether to accept the policy or decline it.

From the paperwork I have seen, I don't think this policy was recommended. So St Andrews didn't need to make sure the policy was suitable for her circumstances. But it still needed to make sure it gave Mrs D enough information so she could decide for herself whether or not to buy the policy.

Mrs D says that she wasn't given all the information about what the policy would and wouldn't cover. And she says the policy didn't meet her needs at the time. But even if the information could have been clearer, I don't think Mrs D would have made a different decision. I still think she would have bought the policy. I say this because:

- I think Mrs D was eligible for the policy given her circumstances and the PPI terms and conditions.
- I don't think she would have been caught by any significant exclusions and limitations which would have limited the policy's main benefits, such as those affecting self-employed people or people with pre-existing medical conditions. So as she could have benefitted from the full extent of the cover, I think it unlikely she needed better information about the policy's exclusions and limitations.
- Mrs D says that she had some savings she could have relied on if she was off work through sickness or accident. So Mrs D says she didn't need the PPI. But, I can't reasonably say that Mrs D didn't need the cover provided by the policy. This policy would have paid out in addition to her savings and would have allowed her to use her savings for other expenses.

- I think the costs of the policy together with the monthly benefit were set out on the application form. So I think Mrs D would have been aware how much she would be paying for the policy. I've seen nothing which makes me think it was unaffordable.

In summary, it seems likely to me on balance that Mrs D understood she was choosing to take out the PPI for the peace of mind and protection it gave her if she was off work or became unemployed. I think it's unlikely she would have made a different decision about whether to take out the PPI even if clearer information had been given to her.

my final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 1 February 2016.

Nicola Woolf
ombudsman